

Title 33: PROPERTY
Chapter 10: UNIT OWNERSHIP

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Maine Revised Statutes
Title 33: PROPERTY
Chapter 10: UNIT OWNERSHIP

Subchapter 1: UNIT OWNERSHIP HEADING: RR 1993, C. 1, §101 (COR)

§560. SHORT TITLE

This chapter shall be known as the "Unit Ownership Act." [1965, c. 357, (NEW).]

SECTION HISTORY

1965, c. 357, (NEW).

§561. DEFINITIONS

As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings. [1977, c. 696, §258 (RPR).]

1. Association of unit owners. "Association of unit owners" means all of the unit owners acting as a group in accordance with the bylaws and declaration.

[1965, c. 357, (NEW) .]

2. Building. "Building" means a building or buildings containing one or more units and comprising a part of the property, and designated with a name.

[1971, c. 73, §1 (AMD) .]

3. Common areas and facilities. "Common areas and facilities", unless otherwise provided in the declaration, means and includes:

A. The land on which the building is located; [1965, c. 357, (NEW) .]

B. The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, and entrances and exits of the building; [1965, c. 357, (NEW) .]

C. The basements, yards, gardens, parking areas and storage spaces; [1965, c. 357, (NEW) .]

D. The premises for the lodging of janitors or persons in charge of the property; [1965, c. 357, (NEW) .]

E. Installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating; [1965, c. 357, (NEW) .]

F. The elevators, tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use; [1965, c. 357, (NEW) .]

G. Such community and commercial facilities as may be provided for in the declaration; and [1965, c. 357, (NEW) .]

H. All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use. [1965, c. 357, (NEW) .]

[1965, c. 357, (NEW) .]

4. Common expenses. "Common expenses" means and includes:

A. Expenses of administration, maintenance, repair or replacement of the common areas and facilities; [1965, c. 357, (NEW) .]

B. Expenses declared common expenses by provisions of this chapter, or by the declaration or the bylaws; [1965, c. 357, (NEW) .]

C. Expenses agreed upon as common expenses by the association of unit owners and lawfully assessed against the unit owners in accordance with the bylaws. [1965, c. 357, (NEW) .]

[1965, c. 357, (NEW) .]

5. Common profits. "Common profits" means the balance of all income, rents, profits and revenues from the common areas and facilities remaining after the deduction of the common expenses.

[1965, c. 357, (NEW) .]

6. Declaration. "Declaration" means the instrument by which the property is recorded, in the manner provided for the recording of deeds.

[1965, c. 357, (NEW) .]

7. Limited common areas and facilities. "Limited common areas and facilities" means and includes those common areas and facilities designated in the declaration as reserved for use of a certain unit or certain units to the exclusion of the other units.

[1965, c. 357, (NEW) .]

8. Majority or majority of unit owners. "Majority or majority of unit owners" means the owners of more than 50% in the aggregate in interest of the undivided ownership of the common areas and facilities as specified in the declaration. Any specified percentage of unit owners means such percentage in the aggregate of such undivided ownership, and for all voting purposes, as provided, each unit owner shall have a vote equal to such percentage.

[1965, c. 357, (NEW) .]

9. Person. "Person" means individual, corporation, partnership, association, trustee or other legal entity.

[1965, c. 357, (NEW) .]

10. Property. "Property" means and includes the land, the building, all improvements and structures thereon, all owned in fee simple absolute, or leased as provided in section 579 and all easements, rights and appurtenances belonging thereto, which have been or are intended to be submitted to the provisions of this chapter.

[1965, c. 357, (NEW) .]

11. Unit. "Unit" means a part of the property including one or more rooms or enclosed spaces located on one or more floors or a part or parts thereof in a building, intended for any type of independent use, and with a direct exit to a public street or highway or to a common area leading to such street or highway.

[1965, c. 357, (NEW) .]

12. Unit number. "Unit number" means the number, letter, or combination thereof, designating the unit in the declaration.

[1965, c. 357, (NEW) .]

13. Unit owner. "Unit owner" means the person or persons owning a unit in fee simple absolute, or leasing a unit as provided, and an undivided interest in the fee simple, or leased estate, of the common areas and facilities in the percentage specified and established in the declaration.

[1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW). 1971, c. 73, §1 (AMD). 1977, c. 696, §258 (AMD).

§562. APPLICATION

This chapter shall be applicable only to property, the sole owner or all of the owners of which submit the same to the provisions of this chapter by duly executing and recording a declaration as provided. [1977, c. 696, §259 (AMD) .]

SECTION HISTORY

1965, c. 357, (NEW). 1977, c. 696, §259 (AMD).

§563. STATUS OF UNITS

Each unit, together with its undivided interest in the common areas and facilities, shall for all purposes constitute real property. [1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW).

§564. OWNERSHIP OF UNITS

Each unit owner shall be entitled to the exclusive ownership and possession of his unit. [1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW).

§565. COMMON ELEMENTS

1. Percentage of ownership. Each unit owner shall be entitled to an undivided interest in the common areas and facilities in the percentage expressed in the declaration. Such percentage shall be computed by taking as a basis the fair value of the unit at the date of the declaration in relation to the fair value of all the units having an interest in the common areas and facilities.

[1965, c. 357, (NEW) .]

2. Permanent character. The percentage of the undivided interest of each unit owner in the common areas and facilities as expressed in the declaration shall have a permanent character and shall not be altered without the consent of all of the unit owners expressed in an amended declaration duly recorded. The percentage of the undivided interest in the common areas and facilities shall not be separated from the unit to which it appertains and shall be deemed to be conveyed or encumbered with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

[1965, c. 357, (NEW) .]

3. Undivided. The common areas and facilities shall remain undivided and no unit owner or any other person shall bring any action for partition or division of any part thereof, unless the property has been removed from the provisions of this chapter. Any covenant to the contrary shall be null and void.

[1965, c. 357, (NEW) .]

4. Use. Each unit owner may use the common areas and facilities in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other unit owners.

[1965, c. 357, (NEW) .]

5. Repairs. The necessary work of maintenance, repair and replacement of the common areas and facilities and the making of any additions or improvements thereto shall be carried out only as provided and in the declaration and in the bylaws.

[1965, c. 357, (NEW) .]

6. Access for repair. The association of unit owners shall have the irrevocable right, to be exercised by the manager or board of directors, to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common areas and facilities therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common areas and facilities or to another unit or units.

[1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW) .

§566. COMPLIANCE WITH BYLAWS AND RULES AND REGULATIONS

Each unit owner shall comply strictly with the bylaws and with the administrative rules and regulations adopted pursuant thereto, and with the covenants, conditions and restrictions set forth in the declaration or in the deed to his unit. Failure to so comply shall be ground for an action to recover damages or for injunctive relief, or both, maintainable by the manager or board of directors on behalf of the association of unit owners or, in a proper case, by an aggrieved unit owner. [1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW) .

§567. CERTAIN WORK PROHIBITED

No unit owner shall do any work which may jeopardize the soundness or safety of the property, reduce the value thereof or impair any easement, right, appurtenance or other hereditament constituting a common area and facility without the unanimous consent of all the other unit owners. [1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW) .

§568. COMMON PROFITS AND EXPENSES

The common profits of the property shall be distributed among, and the common expenses shall be charged to the unit owners according to the percentage of the undivided interest in the common areas and facilities. [1965, c. 357, (NEW).]

SECTION HISTORY

1965, c. 357, (NEW).

§569. CONTENTS OF DECLARATION

The declaration shall contain the following information: [1965, c. 357, (NEW).]

1. Description of land. Description of the land on which the buildings and improvements are, or are to be, located together with the title of and reference to a survey of such land prepared and certified substantially correct by a licensed surveyor or engineer and recorded simultaneously with such declaration and attached to the floor plans as provided.

[1965, c. 357, (NEW) .]

2. Description of building. Description of the building, stating the number of stories and basements, the number of units and the principal materials of which it is, or is to be, constructed.

[1965, c. 357, (NEW) .]

3. Identification number of units. The identification number of each unit, and a statement of its location, approximate area, number of rooms and immediate common area to which it has access, and any other data necessary for its proper identification.

[1965, c. 357, (NEW) .]

4. Description of areas. Description of the common areas and facilities.

[1965, c. 357, (NEW) .]

5. Description of limited areas. Description of the limited common areas and facilities, if any, stating to which unit or units their use is reserved.

[1965, c. 357, (NEW) .]

6. Percentage of ownership. Indication of the percentage of undivided interest in the common areas and facilities appertaining to each unit and its owner. The total percentage of the undivided interests of all of the units shall equal one hundred.

[1965, c. 357, (NEW) .]

7. Purposes. Statement of the purposes for which the building and each of the units are intended, including restrictions, if any, as to use.

[1965, c. 357, (NEW) .]

8. Who to receive service of process. The name of a person to receive service of process in the cases provided.

[1965, c. 357, (NEW) .]

9. Bylaws. A copy of the bylaws.

[1965, c. 357, (NEW) .]

10. Further details. Any further details in connection with the property which the persons executing the declaration may deem desirable to set forth consistent with this chapter.

[1965, c. 357, (NEW) .]

11. Method of amending declaration. The method by which the declaration may be amended, consistent with this chapter.

[1965, c. 357, (NEW) .]

12. Name. The name of the building.

[1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW).

§570. CONTENTS OF DEEDS OF UNITS

Deeds of units shall include the following particulars: [1965, c. 357, (NEW) .]

1. Description of land. Description of the land as provided in section 569, or date, title of and reference to the survey describing such land.

[1965, c. 357, (NEW) .]

2. Date and record of declaration. The date of the most recent declaration and the volume and page of the registry of deeds where recorded.

[1965, c. 357, (NEW) .]

3. Identification number. The identification number of the unit in the declaration and title of and reference to the floor plans describing any other data necessary for its proper identification.

[1965, c. 357, (NEW) .]

4. Percentage of interest. The percentage of undivided interest appertaining to the unit in the common areas and facilities.

[1965, c. 357, (NEW) .]

5. Further details. Any further details which the grantor and grantee may deem desirable to set forth consistent with the declaration and this chapter.

[1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW).

§571. RECORDING

1. Recording. The declaration, any amendment or amendments thereto, any subsequent declaration, the bylaws, any amendment or amendments thereto and any instrument by which the provisions of this chapter may be waived, shall be acknowledged and recorded and shall not be of legal effect until duly recorded in the registry of deeds of the county in which the units lie. Such instruments shall be indexed in the grantor volume under the name of the building and shall contain a reference to the file number of the floor plans of the building affected thereby.

[1965, c. 357, (NEW) .]

2. Revised declaration. After the original declaration or a subsequent declaration of the bylaws contained therein has been modified or amended a total of 5 times, the board of directors shall prepare a new revised declaration with revised bylaws attached thereto, incorporating all modifications and amendments to date, which instrument shall be recorded forthwith.

[1965, c. 357, (NEW) .]

3. Floor plans. Simultaneously with the recording of the original declaration there shall be filed in the registry of deeds of the county in which the units lie a set of the floor plans of the building showing the layout, location, unit numbers and dimensions of the units, stating the name of the building, containing a reference to the original declaration, the date thereof and volume and page of recording and bearing the verified statement of a registered architect or licensed professional engineer certifying that the floor plans are an accurate copy of portions of the plans of the building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings. Attached to the floor plans shall be a survey of the land upon which the buildings and improvements are located. Such plans shall be kept by the register of deeds in a separate file for each building, numbered serially in the order of receipt and designated "unit ownership." In the event the floor plans are modified, new floor plans shall be prepared and recorded, containing all the identifications and references of the original floor plans, numbered identically as the original floor plans, filed therewith and designated "unit ownership -- floor plans modified (indicate date)." A floor plan need not be prepared or recorded of any building which contains only one unit.

[1971, c. 73, §2 (AMD) .]

4. Conveyance of any legal interest. Each conveyance of any legal interest in a unit shall be recorded and indexed similarly to the conveyance of any interest in real property. No instrument conveying or purporting to convey such an interest shall be effectual against any other person but the grantor and his heirs until duly recorded in the registry of deeds of the county in which the unit lies.

[1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW). 1971, c. 73, §2 (AMD).

§572. MORTGAGE AND LIENS AFFECTING A UNIT AT TIME OF FIRST CONVEYANCE

At the time of the first conveyance of each unit, every mortgage and other lien affecting such unit, including the percentage of undivided interest of the unit in the common areas and facilities, shall be paid and satisfied of record, or the apartment being conveyed and its percentage of undivided interest in the common areas and facilities shall be released therefrom by partial release duly recorded. [1965, c. 357, (NEW).]

SECTION HISTORY
1965, c. 357, (NEW).

§573. WITHDRAWAL

The unit owners may remove a property from the provisions of this chapter by an instrument to that effect, duly recorded, containing the signatures of 90% of the unit owners, provided the holders of all liens affecting any of the units consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to an undivided interest in the property. Upon removal of the property from this chapter, the unit owners shall be deemed to own the property as tenants in common with undivided interests in the percentage of undivided interests previously owned by such owner in the common areas and facilities. [1965, c. 357, (NEW).]

SECTION HISTORY
1965, c. 357, (NEW).

§574. SUBSEQUENT RESUBMISSION

The removal provided for in section 573 shall not bar the subsequent resubmission of the property to the provisions of this chapter. [1965, c. 357, (NEW).]

SECTION HISTORY
1965, c. 357, (NEW).

§575. BYLAWS

The administration of every property shall be governed by bylaws, a copy of which shall be annexed to the declaration and made a part thereof. No modification of or amendment to the bylaws shall be of legal effect until set forth in an amendment to the declaration and such amendment is duly recorded. [1965, c. 357, (NEW).]

SECTION HISTORY
1965, c. 357, (NEW).

§576. CONTENTS OF BYLAWS

The bylaws shall provide for the following: [1965, c. 357, (NEW).]

1. Board of directors. The election from among the unit owners of a board of directors, the number of persons constituting and the term of office of such board; a provision that the terms of at least 1/3 of such board shall expire annually; the powers and duties of the board; the compensation, if any, of the directors; the method of removal from such board; powers of the board in engaging the services of a manager or managing agent.

[1965, c. 357, (NEW) .]

2. Meetings. Method of calling meetings of the unit owners; what percentage, if other than a majority, of unit owners shall constitute a quorum.

[1965, c. 357, (NEW) .]

3. President. Election of a president from among the board of directors who shall preside over the meetings of the board of directors and of the association of unit owners.

[1965, c. 357, (NEW) .]

4. Secretary. Election of a secretary who shall keep the minute book wherein resolutions shall be recorded.

[1965, c. 357, (NEW) .]

5. Treasurer. Election of a treasurer who shall keep the financial records and books of account.

[1965, c. 357, (NEW) .]

6. Repairs. Maintenance, repair and replacement of the common areas and facilities and payments therefor, including the method of approving payment vouchers.

[1965, c. 357, (NEW) .]

7. Expenses. Manner of collecting from the unit owners their share of the common expenses.

[1965, c. 357, (NEW) .]

8. Personnel. Designation and removal of personnel necessary for the maintenance, repair and replacement of the common areas and facilities.

[1965, c. 357, (NEW) .]

9. Rules and regulations. Method of adopting and amending administrative rules and regulations governing the details of the operation and use of the common areas and facilities.

[1965, c. 357, (NEW) .]

10. Restrictions. Such restrictions on and requirements respecting the use and maintenance of the units and the use of the common areas and facilities not set forth in the declaration as are designed to prevent unreasonable interference with the use of their respective units and of the common areas and facilities by the several unit owners.

[1965, c. 357, (NEW) .]

11. Amend bylaws. A provision that 75% of the unit owners may at any time modify or amend the bylaws, but that no amendment shall be contrary to the requirements of this section.

[1965, c. 357, (NEW) .]

12. Other provisions. Other provisions deemed necessary for the administration of the property consistent with this chapter.

[1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW).

§577. BOOKS OF RECEIPTS AND EXPENDITURES; AVAILABILITY FOR EXAMINATION

The manager or board of directors shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the unit owners at convenient hours of weekdays. [1965, c. 357, (NEW).]

SECTION HISTORY

1965, c. 357, (NEW).

§578. WAIVER OF USE OF COMMON ELEMENTS; ABANDONMENT OF UNIT

No unit owner may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common areas and facilities or by abandonment of his unit. [1965, c. 357, (NEW).]

SECTION HISTORY

1965, c. 357, (NEW).

§579. SEPARATE TAXATION

Taxes, assessments, including special assessments, and other charges of this State or of any political subdivision, or of any special improvement district, or any other taxing or assessing authority shall be assessed against and collected on each individual unit, each of which shall be carried on the tax books as a separate and distinct entity for that purpose and not on the building or property as a whole. Neither the building, the property nor any of the common areas and facilities shall be deemed to be a parcel, but each unit shall be deemed to have an undivided interest therein and assessments against any such unit shall include such proportionate undivided interest. In the event the land or the building, including common areas and facilities, is separately owned, and leased to the unit owner for a period of not less than 50 years, and such lease, duly recorded, provides that the lessee shall pay all such taxes, such unit and its percentages of undivided interest in the common areas and facilities shall be deemed to be a parcel and shall be separately assessed and taxed as aforesaid. [1965, c. 357, (NEW).]

SECTION HISTORY

1965, c. 357, (NEW).

§580. LIEN FOR COMMON CHANGES

1. Liens. Subsequent to recording the declaration as provided in this chapter, and while the property remains subject to this chapter, liens or encumbrances shall arise or be created only against each unit and the percentage of undivided interest in the common areas and facilities appurtenant to such unit, in the same manner and under the same conditions in every respect as liens or encumbrances may arise or be created upon or against any other separate parcel of real property subject to individual ownership, provided no labor performed or materials furnished with the consent or at the request of a unit owner or his agent shall be the basis for the filing of a mechanics lien against the unit or any other property of any other unit owner not expressly consenting to or requesting the same, except that such express consent shall be deemed to be given by the owner of any unit in the case of emergency repairs thereto. Labor performed or materials furnished for the common areas and facilities, if authorized by the association of unit owners, the manager or board of

directors, the declaration or bylaws, shall be deemed to be performed or furnished with the express consent of each unit owner and shall be the basis for the filing of a mechanics lien against each of the units and shall be subject to subsection 2.

[1965, c. 357, (NEW) .]

2. Individual payments. If a lien against 2 or more units becomes effective, the owner of any such unit may remove his unit and his percentage of undivided interest in the common areas and facilities appurtenant to his unit from the lien by payment of the fractional or proportional amount attributable to his unit. Such individual payment shall be computed by reference to the percentages appearing in the declaration. Subsequent to any such payment, discharge or other satisfaction, such unit and the percentage of undivided interest in the common areas and facilities appurtenant thereto shall thereafter be free and clear of the lien so paid, satisfied or discharged. Such payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce his rights against any unit and the percentage of undivided interest in the common areas and facilities appurtenant thereto not so paid, satisfied or discharged.

[1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW) .

§581. FORECLOSURE

All sums assessed by the association of unit owners, but unpaid for the share of the common expenses chargeable to any unit shall constitute a lien on such unit prior to all other liens, except only tax liens on the unit in favor of any assessing unit and special district, including any state and federal tax liens, and all sums unpaid on mortgages of record. Such lien may be claimed 60 days after the due date of the assessment. It shall be signed by the manager or one of the members of the board of directors and shall be perfected by filing it in the registry of deeds of the county in which the unit lies, and by leaving a true and attested copy thereof with the unit owner against whom such lien is claimed or at his usual place of abode, or, if such unit owner resides outside the municipality in which the unit lies, by mailing such copy to him at the place where he resides. Such lien shall be limited and discharged in accordance with the general statutes. Such lien may be foreclosed by action by the manager or board of directors, acting on behalf of the unit owners, in like manner as a mortgage of real property including reimbursement for costs and reasonable attorneys' fees. In any such foreclosure the unit owner shall be required to pay a reasonable rental for the unit, if so provided in the bylaws and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. The manager or board of directors, acting on behalf of the unit owners, shall have power, unless prohibited by the declaration, to bid in the unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Action to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. Where a mortgagee or a purchaser at a foreclosure sale obtains title to a unit, such acquirer of title, his heirs, successors and assigns, shall not be liable for the entire unpaid share of the common expenses or assessments by the association of unit owners chargeable to such unit which became due prior to the acquisition of title to such unit by such acquirer, but such expenses or assessments shall become common expenses collectible from all of the unit owners including such acquirer, his heirs, successors and assigns. [1965, c. 357, (NEW) .]

SECTION HISTORY

1965, c. 357, (NEW) .

§582. VOLUNTARY CONVEYANCE

In a voluntary conveyance the grantee of a unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the

grantee therefor. Any such grantee shall be entitled to a statement from the manager or board of directors, setting forth the amount of such unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount therein set forth. [1965, c. 357, (NEW).]

SECTION HISTORY

1965, c. 357, (NEW).

§583. INSURANCE

The manager or board of directors shall, to the extent required by the declaration, bylaws or direction of a majority of the unit owners, insure the building against loss or damage by fire and other hazards, without prejudice to the right of each unit owner to insure his own unit for his own benefit. Such insurance coverage shall be written on the property in the name of such manager or the board of directors of the association of unit owners, as trustee for each of the unit owners in the percentages established in the declaration. Premiums shall be common expenses. [1965, c. 357, (NEW).]

SECTION HISTORY

1965, c. 357, (NEW).

§584. REPAIR AND RECONSTRUCTION

Except as otherwise provided, damage to or destruction of the building shall be promptly repaired and restored by the manager or board of directors, using the proceeds of insurance, if any, on the building for that purpose and the unit owners shall be liable for assessment for any deficiency, provided if there is substantially total destruction of the property and 3/4 of the unit owners vote not to proceed with repair or restoration, the property remaining shall be deemed to be owned in common by the unit owners, and each unit owner shall own that percentage of the undivided interest in common as he previously owned in the common areas and facilities. Any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the unit owner in the property; and the property shall be subject to an action for partition at the action of any unit owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the unit owners in accordance with their interests therein, after first paying all liens out of each of the respective interests. [1965, c. 357, (NEW).]

SECTION HISTORY

1965, c. 357, (NEW).

§585. ACTIONS

Without limiting the rights of any unit owner, actions may be brought by the manager or board of directors, in either case in the discretion of the board of directors, on behalf of 2 or more of the unit owners, with respect to any cause of action relating to the common areas and facilities, or more than one unit. Service of process on 2 or more unit owners in any action relating to the common areas and facilities, or more than one unit, may be made on the person designated in the declaration to receive service of process. [1965, c. 357, (NEW).]

SECTION HISTORY

1965, c. 357, (NEW).

§586. USERS SUBJECT TO LAND

All unit owners, tenants of such owners, employees of owners and tenants, or any other persons who may in any manner use property or any part thereof submitted to the provisions of this chapter shall be subject to this chapter and to the declaration and bylaws of the association of unit owners. [1965, c. 357, (NEW).]

All agreements, decisions and determinations lawfully made by the association of unit owners in accordance with the voting percentages established in this chapter, declaration or bylaws, shall be binding on all unit owners. [1965, c. 357, (NEW).]

SECTION HISTORY

1965, c. 357, (NEW).

§587. LOANS

Savings banks, trust and banking companies and savings and loan associations may make loans under this chapter to individuals or corporations to be secured by a first mortgage of a unit together with its undivided interest in the common areas and facilities, owned under the provisions of this chapter, to the extent that each of them may make loans secured by real estate mortgages, and subject to the applicable conditions and limitations imposed by law. [1965, c. 357, (NEW).]

SECTION HISTORY

1965, c. 357, (NEW).

§588. TIME SHARES

(REPEALED)

SECTION HISTORY

1979, c. 484, (NEW). 1983, c. 248, §2 (RP).

Subchapter 1-A: MEMBERSHIP CAMPING

§589. DEFINITIONS

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [1985, c. 390, (NEW).]

1. Blanket encumbrance. "Blanket encumbrance" means any mortgage, deed of trust, option to purchase, vendor's lien or interest under a contract or agreement of sale or other material financing lien or encumbrance granted by the membership camping operator which secures or evidences the obligation to pay money or to sell or convey any campgrounds located in this State which are made available to purchasers by the membership camping operator, or any portion thereof, and which authorizes, permits or requires the foreclosure or other disposition of the campground affected.

[1985, c. 390, (NEW) .]

2. Campground. "Campground" means real property owned or operated by a membership camping operator which is available for camping by purchasers of membership camping contracts.

[1985, c. 390, (NEW) .]

3. Camping site. "Camping site" means a space designed and promoted for the purpose of locating a trailer, tent, tent trailer, pickup camper or other similar device used for camping.

[1985, c. 390, (NEW) .]

4. Membership camping contract. "Membership camping contract" means an agreement offered or sold within the State evidencing a purchaser's right or license to use the camping or outdoor recreation facilities of a membership camping operator in each of 3 or more years, including renewal options.

[1985, c. 390, (NEW) .]

5. Membership camping contract broker. "Membership camping contract broker" means a person who resells a membership camping contract to a new purchaser on behalf of the prior purchaser. "Membership camping contract broker" does not include a membership camping operator or his agent.

[1985, c. 390, (NEW) .]

6. Membership camping operator. "Membership camping operator" means any person who offers camping or outdoor recreational opportunities through the use of camping sites and who solicits membership camping contracts paid for in cash, by installment or periodic payments, including annual fees, by which the purchasers of memberships obtain the right to use camping sites or other camping or recreational facilities of the membership camping operator. "Membership camping operator" does not include mobile home parks as defined in Title 10, section 9081. A membership camping operator is not a landlord pursuant to the landlord and tenant laws as provided in Title 14.

[2013, c. 209, §5 (AMD) .]

7. Person. "Person" means any individual, corporation, partnership, trust, association or other organization.

[1985, c. 390, (NEW) .]

8. Purchaser. "Purchaser" means a person who enters into a membership camping contract and obtains the right to use the facilities of a membership camping operator. A purchaser is not a tenant pursuant to the landlord and tenant laws as provided in Title 14.

[2013, c. 209, §5 (AMD) .]

9. Reciprocal program. "Reciprocal program" means any arrangement allowing purchasers to use camping sites, facilities or other properties owned or operated by any person other than the membership camping operator with whom the purchaser has entered into a membership camping contract.

[1985, c. 390, (NEW) .]

10. Sale or sell. "Sale" or "sell" means entering into, or other disposition, of a membership camping contract for value, but the term of value does not include a fee to offset the reasonable costs of transfer of a membership camping contract.

[1985, c. 390, (NEW) .]

11. Seller. "Seller" means a membership camping operator.

[1985, c. 390, (NEW) .]

SECTION HISTORY

1985, c. 390, (NEW). 2013, c. 209, §5 (AMD).

§589-A. REQUIREMENTS OF MEMBERSHIP CAMPING

1. Specific disclosures. No membership camping contract may be offered or sold by a membership camping operator unless, prior to the execution of the membership camping contract, the purchaser is provided, at no cost to the purchaser, with a written statement containing the following information, all of which shall be current to a point not more than 60 days prior to the date of delivery to the purchaser.

A. The front cover or first page shall contain only the following in the order stated:

- (1) The words "membership camping operator's disclosure statement" printed in bold-faced type of a minimum size of 10 points;
- (2) The name and principal business address of the membership camping operator;
- (3) A statement that the membership camping operator is in the business of offering for sale membership camping contracts;
- (4) The following in printed bold-faced type of a minimum size of 10 points:

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN PURCHASING A MEMBERSHIP CAMPING CONTRACT. STATE LAW REQUIRES THAT THESE DISCLOSURES BE MADE, BUT NO STATE AGENCY OR OFFICIAL HAS REVIEWED THE INFORMATION CONTAINED IN THIS BOOKLET. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. YOU SHOULD NOT RELY UPON ANY ORAL REPRESENTATIONS AS BEING CORRECT. IF YOU ARE THINKING OF PURCHASING A MEMBERSHIP CAMPGROUND CONTRACT, YOU SHOULD REVIEW ALL REFERENCES MADE IN THIS BOOKLET, EXHIBITS, CONTRACT DOCUMENTS AND SALES MATERIALS. THE MEMBERSHIP CAMPING OPERATOR IS PROHIBITED FROM MAKING ANY REPRESENTATIONS WHICH CONFLICT WITH THOSE CONTAINED IN THE CONTRACT OR THIS DISCLOSURE STATEMENT; and

- (5) The following language, printed in bold-faced type of a minimum size of 10 points, shall also appear on the cover page of the disclosure statement after the appearance of the items required in this paragraph:

SHOULD YOU EXECUTE A MEMBERSHIP CAMPING CONTRACT, YOU HAVE THE UNQUALIFIED RIGHT TO CANCEL THAT CONTRACT. THIS RIGHT OF CANCELLATION IS INCAPABLE OF WAIVER AND SHALL EXPIRE AT MIDNIGHT ON THE 7TH CALENDAR DAY FOLLOWING THE DATE OF THE EXECUTED CONTRACT OR WITHIN 7 CALENDAR DAYS OF THE RECEIPT OF THIS STATEMENT, WHICHEVER OCCURS LATER. TO CANCEL THE MEMBERSHIP CAMPING CONTRACT, YOU MUST HAND DELIVER OR MAIL, POSTAGE PREPAID, WRITTEN NOTICE OF YOUR INTENTION TO CANCEL TO THE MEMBERSHIP CAMPING OPERATOR AT HIS PRINCIPAL BUSINESS ADDRESS LISTED IN THE MEMBERSHIP CAMPING CONTRACT. THE MEMBERSHIP CAMPING OPERATOR IS REQUIRED BY LAW TO RETURN ALL MONEY PAID BY YOU IN CONNECTION WITH THE EXECUTION OF THE MEMBERSHIP CAMPING CONTRACT WITHIN 20 CALENDAR DAYS FROM THE PROPER AND TIMELY CANCELLATION OF THE CONTRACT.

[1985, c. 390, (NEW).]

B. The following pages shall contain, in the following order:

- (1) A brief description of the membership camping operator's experience in the membership camping business, including the number of years the operator has been in the membership camping business;
- (2) A brief description of the nature of the purchaser's right or license to use the membership camping operator's property or facilities;

(3) The location of each of the membership camping operator's parks and a brief description for each park of the significant facilities then available for use by purchasers and those which are represented to purchasers as being planned, together with a brief description of any significant facilities that are or will be available to nonpurchasers or nonmembers. Significant facilities include, but are not limited to, each of the following: The number of camping sites in each park, the number of camping sites in each park with full or partial hookups, swimming pools, tennis courts, recreation buildings, restrooms and showers, laundry rooms, trading posts and grocery stores. "Partial hookups" means those hookups with at least one of the following connections: Electricity; water and sewage connections;

(4) A brief description of the effect on the purchaser's membership rights if a subsequent holder, successor, assign or other person later acquires the campground through foreclosure, bankruptcy sale, deed or other conveyance. This description shall include a description of any nondisturbance agreement or bond and its effects on the purchaser's rights and a description of the legal document that evidences the purchaser's rights, followed by a statement in capital letters as follows:

NOTICE: YOUR RIGHTS UNDER THIS CONTRACT MAY BE AFFECTED BY A SUBSEQUENT HOLDER, SUCCESSOR, ASSIGN OR PERSON WHO LATER ACQUIRES THE CAMPGROUND. THIS STATEMENT IS ONLY SUMMARY IN NATURE. YOU SHOULD ASK YOUR ATTORNEY TO EXPLAIN IT TO YOU MORE FULLY;

(5) A statement in capital letters as follows:

NOTICE: PURCHASE A MEMBERSHIP CAMPING CONTRACT ONLY ON THE BASIS OF EXISTING FACILITIES. CONSTRUCTION OF PLANNED FACILITIES IS SOMETIMES DELAYED OR TERMINATED FOR A VARIETY OF REASONS;

(6) A brief description of the membership camping operator's ownership of, or right to use, the camping properties represented to be available for use by purchasers, together with the duration of any lease, license, franchise or reciprocal agreement entitling the membership camping operator to use the property and any material provisions of any agreements which restrict a purchaser's use of the property;

(7) A summary of, or notice that attached to this disclosure is a copy of the rules, restrictions or covenants regulating the purchaser's use of the membership camping operator's properties, including a statement of whether and how the rules, restrictions or covenants may be changed;

(8) A brief description of all payments of a purchaser under a membership camping contract, including initial fees and any further fees, charges or assessments, together with any provisions for changing the payments;

(9) A description of any restraints on the transfer of the membership camping contract by the purchaser;

(10) A brief description of the policies relating to the availability of camping sites and whether reservations are required;

(11) A brief description of any grounds for forfeiture of a purchaser's membership camping contract;

(12) A copy of the membership camping contract form; and

(13) A statement describing all material terms and conditions of any reciprocal program represented to be available to purchasers, including whether the purchaser's participation in the reciprocal program is dependent upon the continued affiliation of the membership camping operator with the reciprocal program and whether the membership camping operator reserves the right to terminate that affiliation. [1985, c. 390, (NEW) .]

[1985, c. 390, (NEW) .]

2. Contract provisions. The contract shall include provisions stating the manner in which the rights of the purchaser may be affected if a subsequent holder, successor, assign or other person later acquires the campground through foreclosure, bankruptcy sale or other conveyance.

Any holder, successor, assign or person who acquires the campground through foreclosure or deed takes the campground subject to the condition that he may not materially diminish the purchaser's use of the campground as outlined in the contract between the purchaser and seller.

[1985, c. 390, (NEW) .]

3. Signature and date. A membership camping contract shall be dated and signed by the purchaser and the membership camping operator. The contract shall contain, in the immediate proximity of the space reserved for the signature of the purchaser, a conspicuous statement in a size equal to at least 10 point bold type as follows:

YOU, THE PURCHASER, MAY CANCEL THIS CONTRACT AT ANY TIME WITHIN 7 DAYS FOLLOWING THE DATE OF EXECUTION OF THE CONTRACT OR THE RECEIPT OF A DISCLOSURE STATEMENT FROM THE MEMBERSHIP CAMPING OPERATOR, WHICHEVER EVENT OCCURS LATER. TO CANCEL THE CONTRACT, HAND DELIVER OR MAIL A POSTAGE PREPAID WRITTEN CANCELLATION TO THE MEMBERSHIP CAMPING OPERATOR AT THE ADDRESS LISTED IN THE DISCLOSURE STATEMENT OR ON THIS CONTRACT. THE MEMBERSHIP CAMPING CONTRACT SHALL CONTAIN THE NAME AND ADDRESS OF THE MEMBERSHIP CAMPING OPERATOR.

[1985, c. 390, (NEW) .]

4. Cancellation of contract. Any purchaser or prospective purchaser of a membership camping contract may cancel a membership camping contract by delivering in hand or mailing a postage prepaid written notice to the membership camping operator of the purchaser's cancellation of the contract within 7 calendar days after the date any contract is executed or within 7 calendar days after the delivery of the current written disclosure statement required by subsection 1, whichever event is later.

[1985, c. 390, (NEW) .]

5. Membership camping operator's refund obligation. If the membership camping operator is given written notice of cancellation of the membership contract pursuant to subsection 4, he must deliver or mail postage prepaid to the purchaser within 20 days of the effective date of the written notice of cancellation the full amount of any payment or down payment made or consideration given under the membership camping contract.

[1985, c. 390, (NEW) .]

6. Wrongful retention; damages; burden of proof. The following provisions apply when a membership camping operator fails to perform his refund obligation under subsection 5:

A. If the membership camping operator fails to return the full amount of any payment or downpayment made or consideration given within the 20-day period as described in subsection 5, it shall be presumed that he is willfully and wrongfully retaining the payment, down payment or other consideration;

[1985, c. 390, (NEW) .]

B. The willful retention of a payment, down payment or other consideration in violation of this subchapter shall render the membership camping operator liable for double the amount of that portion of the payment, downpayment or other consideration wrongfully withheld from the purchaser together with reasonable attorney's fees and court costs; and [1985, c. 390, (NEW) .]

C. In any court action brought by a purchaser under this section, the membership camping operator shall bear the burden of proving that his withholding of the payment, downpayment or other consideration or any portion of it was not wrongful. [1985, c. 390, (NEW).]

[1985, c. 390, (NEW) .]

7. Membership camping operators located outside the State. This subchapter shall apply to offers or sale of membership camping contracts within this State, even if the membership camping operator or purchaser is located outside of this State.

[1985, c. 390, (NEW) .]

SECTION HISTORY

1985, c. 390, (NEW).

§589-B. MEMBERSHIP CAMPING CONTRACT BROKERS; FEES; ESCROW ACCOUNTS; DISCLOSURES TO NEW PURCHASER; NOTICE OF CANCELLATION TO PURCHASER

1. Fees; escrow accounts. A membership camping contract broker shall not receive any fee, including a listing fee, for selling a membership camping contract until a sale is completed. A fee may be paid into an escrow account at the time a purchaser is obtained.

[1985, c. 390, (NEW) .]

2. Disclosures to new purchaser. The broker shall inform the new purchaser in writing of the following:

A. The risks of purchasing a membership camping contract without visiting at least one of the membership camping operator's parks; [1985, c. 390, (NEW).]

B. That the membership camping operator may have a valid reason for not transferring the contract to the new purchaser, such as the new purchaser may be in default in payments on contract or annual dues or that the new purchaser does not meet the same credit standards applied to other new purchasers; [1985, c. 390, (NEW).]

C. That there may have been changes in the rules concerning the rights and obligations of the membership camping operator or its members, including changes with respect to annual dues, fees or assessments or that some camping properties or facilities may have been withdrawn; and [1985, c. 390, (NEW).]

D. Any material changes or risks to the purchaser known to the broker. [1985, c. 390, (NEW).]

[1985, c. 390, (NEW) .]

3. Notice of right to cancel contract. Every broker shall provide in writing the following notice of right to cancel the contract to the new purchaser in not less than 10 point type:

YOU MAY CANCEL YOUR CONTRACT OF PURCHASE, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN 7 BUSINESS DAYS FROM THE ABOVE DATE OF PURCHASE BY HAND DELIVERING OR MAILING A POSTAGE PREPAID NOTICE OF CANCELLATION TO:

.....
(Name and address of broker)

[1985, c. 390, (NEW) .]

4. Broker's refund obligation. If the broker is given written notice of cancellation of the contract of purchase pursuant to subsection 3, the broker must deliver or mail postage prepaid to the purchaser within 20 days of the effective date of the written notice of cancellation, the full amount of any payment or down payment made or consideration given under the contract of purchase.

[1985, c. 390, (NEW) .]

5. Wrongful retention; damages; burden of proof. The following provisions apply when a membership camping broker fails to perform his refund obligation under subsection 4.

A. If the broker fails to return the full amount of any payment or down payment made or consideration given within the 20-day period as described in subsection 4, it shall be presumed that the broker is willfully and wrongfully retaining the payment, down payment or other consideration. [1985, c. 390, (NEW) .]

B. The willful retention of a payment, down payment or other consideration in violation of this subchapter shall render the broker liable for double the amount of that portion of the payment, down payment or other consideration wrongfully withheld from the purchaser, together with reasonable attorney's fees and court costs. [1985, c. 390, (NEW) .]

C. In any court action brought by a purchaser under this section, the broker shall bear the burden of proving that his withholding of the payment, down payment or other consideration, or any portion of it, was not wrongful. [1985, c. 390, (NEW) .]

[1985, c. 390, (NEW) .]

SECTION HISTORY

1985, c. 390, (NEW) .

§589-C. VIOLATION

1. Violation. Any violation of this subchapter is a violation of Title 5, chapter 10.

[2013, c. 424, Pt. F, §1 (AMD) .]

2. Intentional violation. Any intentional violation of this subchapter is a Class E crime.

[1993, c. 1, §102 (COR) .]

3. Subsequent violations. Any violation of this subchapter constitutes a civil violation for which a forfeiture not to exceed \$100 may be adjudged in the case of a first violation and a forfeiture not to exceed \$500 may be adjudged in the case of 2nd and subsequent violations.

[1993, c. 1, §102 (COR) .]

SECTION HISTORY

1985, c. 390, (NEW). RR 1993, c. 1, §102 (COR). 2013, c. 424, Pt. F, §1 (AMD) .

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